

Message Text

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PAGE 01 TEL AV 00313 141454Z
ACTION NEA-10

INFO OCT-01 ISO-00 SIL-01 LAB-04 CIAE-00 DODE-00 INR-07
NSAE-00 PA-02 USIA-15 PRS-01 SP-02 AID-05 /048 W
-----141844Z 043167 /44

R 141357Z JAN 77
FM AMEMBASSY TEL AVIV
TO SECSTATE WASHDC 4444

UNCLAS TEL AVIV 0313

E.O. 11652: N/A
TAGS: ELAB, PINT,IS
SUBJECT: GOVERNMENT AND HISTADRUT AGREE ON ARBITRATION IN THE
PUBLIC SECTOR

1. THE GOVERNMENT AND HISTADRUT AGREED JANUARY 13 ON
THE ESTABLISHMENT OF A SEVEN MEMBER ARBITRATION PANEL
WHICH WILL BE HEADED BY SUPREME COURT JUSTICE ZVI
BERENSON. THE AGREEMENT WILL BE SIGNED JANUARY 16 AND
WILL BE AN AMENDMENT TO THE GOVERNMENT-HISTADRUT COLLECTIVE
AGREEMENT ON WAGES IN THE PUBLIC SERVICES WHICH EXPIRES
MARCH 31, 1978.

2. UNDER THE AGREEMENT THE ARBITRATORS WILL BE EMPOWERED
TO DEAL WITH ALL SPECIAL WAGE AND OTHER DEMANDS NOT
SPECIFICALLY COVERED BY THE COLLECTIVE AGREEMENT.CON-
FLICTS FROM INTERPRETATION OF THE COLLECTIVE AGREEMENT
WILL CONTINUE TO BE DEALT WITH THE THE LABOR COURTS. THE
ARBITRATORS WILL THUS BE EMPOWERED TO LOOK INTO THE
PROBLEM OF EXCEPTIONAL WAGE DEMANDS BY SPECIAL PROFESSIONAL
GROUPS WHICH HAVE BECOME INCREASINGLY DISSATISFIED
AS THE GAP BETWEEN THEIR SALARIES AND FRINGE BENEFITS
AND THOSE RECEIVED BY THEIR COLLEAGUES IN THE PRIVATE
SECTOR CONTINUE TO WIDEN. STRIKES AND LOCK-OUTS WILL
BE PROHIBITED AND THE DECISIONS ARE BINDING. EITHER
THE GOVERNMENT OR THE WORKERS' REPRESENTATIVES CAN
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INITIATE A REQUEST FOR ARBITRATION. THE AGREEMENT
COVERS NOT ONLY HISTADRUT MEMBERS AND GOVERNMENT EM-
PLOYEES, BUT ALL THOSE EMPLOYED IN THE PUBLIC SECTOR,
INCLUDING EMPLOYEES OF THE JEWISH AGENCY, THE WORLD
ZIONIST FEDERATION, AND ALL OTHER ENTERPRISES
OPERATING IN THE PUBLIC SECTOR.

3. RECENT MAJOR WAGE CONCESSIONS TO HOSPITAL DOCTORS, NURSES, MEDICAL TECHNICIANS, AND A COURT DECISION APPROVING ADDITIONAL PREMIUMS TO GRADUATE ENGINEERS WITH SPECIAL PROFESSIONAL COMPETENCE--GRANTED UNDER AN EARLIER ARBITRATION AWARD BY THE BARKAI COMMISSION--WERE THREATENING TO INCREASE THE LITIGANCY OF OTHER PROFESSIONAL GROUPS AND DEMANDS FOR COMPLETE RENEGOTIATIONS OF THE SALARIES OF ALMOST ALL CATEGORIES OF PUBLIC SERVICE EMPLOYEES. IT WAS THEREFORE ESSENTIAL TO ADOPT NEW AND AUTHORITATIVE MEANS FOR--AT LEAST TEMPORARILY--CONTROLLING THESE DEMANDS ON A GOVERNMENT ALREADY BESET BY SERIOUS BUDGETARY PROBLEMS AND THE LACK OF A KNESSET MAJORITY, WHILE BEING SADDLED WITH THE RESPONSIBILITY FOR MANAGING THE ECONOMY AND INFLATION DURING THE INTERIM PERIOD UNTIL A NEW GOVERNMENT AND KNESSET ARE CONVENED.

4. THE ISSUE OVER THE FORM OF THE ARBITRATION AGREEMENT HAD SHARPLY DIVIDED THE GOVERNMENT AND THE HISTADRUT, HAD BECOME A MAJOR ISSUE OF CONTENTION BETWEEN THE LABOR PARTY AND THE INDEPENDENT LIBERAL PARTY, AND HAD CAUSED THE GOVERNMENT TO SUFFER A DEFEAT IN THE KNESSET ON NOVEMBER 29, 1976. IN THE END, THE GOVERNMENT ACCEDED TO HISTADRUT INSISTENCE THAT THE ARBITRATION AGREEMENT NOT BE SUBMITTED FOR APPROVAL TO THE KNESSET AS LABOR MINISTER BARAM HAD DEMANDED AND THAT THE ARBITRATORS NOT BE RESTRICTED BY CEILINGS ON THEIR AWARDS OR REFERENCES TO BUDGET CONSTRAINTS. HISTADRUT HAD INSISTED ON THIS LAST POINT BECAUSE IT

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FEARED THAT SUCH RESTRICTIONS, IF INCLUDED IN THE AGREEMENT, WOULD UNDERMINE THE CREDIBILITY OF THE IMPARTIAL AUTHORITY OF THE ARBITRATORS AND THUS WEAKEN IN ADVANCE THE DESIRED STABILIZING INFLUENCE OF THE AGREEMENT ON LABOR RELATIONS IN THE PUBLIC SECTOR.

5. COMMENT: THE AGREEMENT APPEARS TO BE A MAJOR GOVERNMENT CONCESSION TO THE HISTADRUT WHICH PROBABLY REFLECTS THE WEAKENING OF THE AUTHORITY OF FINANCE MINISTER RABINOWITZ IN ECONOMIC DECISIONS, AND WHICH IS A SOP TO HISTADRUT SECRETARY GENERAL MESHEL, WHO REMAINS A STRONG SUPPORTER OF RAIN IN HIS STRUGGLE FOR LABOR PARTY LEADERSHIP. IT IS ALSO LIKELY TO HELP THE MAPAM WING OF HISTADRUT, WHICH IS STRONGLY RESISTING A MAPAM BREAK WITH THE ALIGNMENT--AT LEAST PRIOR TO THE LABOR PARTY CONVENTION AND ELECTION OF ITS LEADERSHIP.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: UNION GOVERNMENT RELATIONS, COLLECTIVE BARGAINING AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TELAV00313
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770015-0098
Format: TEL
From: TEL AVIV
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770149/aaaabqwc.tel
Line Count: 115
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e12471d9-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 21-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3590040
Secure: OPEN
Status: NATIVE
Subject: GOVERNMENT AND HISTADRUT AGREE ON ARBITRATION IN THE PUBLIC SECTOR
TAGS: ELAB, PINT, IS, HISTADRUT
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/e12471d9-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009